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June 17, 2014

Mr. Ed Mopas
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**THIRD NOTICE OF DEFICIENCY FOR THE EXIDE TECHNOLOGIES, VERNON
FACILITY PART B PERMIT APPLICATION, REVISION 7 PREPARED BY
ADVANCED GEOSERVICES CORPORATION, DATED JANUARY 2013, U.S. EPA ID
NUMBER CAD 097854541**

Dear Mr. Mopas:

The Department of Toxic Substances Control (DTSC) has reviewed the Resource Conservation and Recovery Act Part A and Part B Permit Application (Application) for the Exide Technologies Vernon, California Facility (Facility), prepared by Advanced GeoServices Corporation, dated January 2013. Enclosed are DTSC's comments on the following Application parts: Closure Plan, Section 12; Closure Cost Estimate, Appendix P; and the Sampling and Analysis Plan, Enclosure A.

The enclosed memoranda include comments regarding the following deficiencies in the Closure Plan:

- Failure to accurately determine closure tasks, costs, and schedules for each hazardous waste management unit;
- Failure to provide accurate volumes of maximum waste inventory;
- The Closure Cost Estimate significantly underestimates the total cost due to calculation errors in transportation and disposal of wastes, and in quantities of drums required to remove and dispose of all wastes from the Facility;
- The Closure Cost Estimate does not utilize current third party costs, but escalates 2005 costs, which does not conform to the regulatory requirements;
- All miscellaneous units are not included in the unit descriptions, and therefore, there are inadequate closure costs represented in the estimate;
- All tank assessments required have not been submitted;
- The Closure Plan is ambiguous regarding what constitutes closure for the Facility; and

- The Sampling and Analysis Plan is deficient in providing the methodology for collection of soil and groundwater samples, and analytical test methods.

In addition, DTSC has the following comments on other parts of the Application:

Facility Information Section 1.2.2 C., Waste Management Devices and Permitted Units Section 5.3.2.1

This section of the Application describes the Raw Materials Preparation System (RMPS) at the Facility. The battery chips are described as being loaded into trailers and shipped off-site for recycling into battery casings and other plastic products. In recent site visits (e.g., April 18, 2014), and in the review of the Application, specifically photograph #23 of section 2, DTSC noted that a centrifuge exists in the RMPS for the purpose of removing liquids from the plastics prior to transferring, by blowing, the chips into the back of the trailers. DTSC considers this separation activity as treatment of a regulated waste stream. Therefore, DTSC requires that the centrifuge unit be included as an identified unit and fully described in the Application. The Application does not provide information as to when this activity began at the Facility. During one site visit by DTSC, on April 18, 2014, it was noted that the unit has been shown on prior city building permit drawings. However, the centrifuge unit utilized at the Facility is not in the Application drawings or figures. The Application must be updated to include this centrifuge treatment unit. The Closure Cost Estimate must also be updated to include the closure of this unit.

Waste Management Devices and Permitted Units Section 5.5

Operating a containment building requires owners and operators to follow the requirements of California Code of Regulations, title 22, sections 66264.1100 through 66264.1102. During the DTSC site visit on April 18, 2014, DTSC made several observations of the operations at the Facility. Several factors led DTSC to believe that the requirements of these regulations should apply to the entire building structure including the feed rooms, the RMPS Building, the Baghouse Building, the Smelter Building, and the Finished Lead Storage Building. The factors that support the application of these requirements are: 1) there exist interior openings between all the buildings which essentially create one large building where free transfer of airborne particulates/constituents can occur; 2) the roll-up doors that could close off the feed rooms/corridor from the rest of the buildings are non-functional and damaged; 3) there is significant visual evidence of feed materials and liquids transferring between buildings through interior doors and corroded sheet metal walls.

Visual evidence of the transfer of solid waste materials and liquid waste through exterior roll-up doors, through corroded sheet metal on exterior walls, and into the base of damaged concrete, suggests that the requirements of the cited regulations may not be met by Exide. Additionally, holes in ceilings and gaps between roof structures and walls

allow exterior elements to enter the structures. These gaps and holes exist in all structures at the Facility.

The Closure Cost Estimate must also be modified to include the dismantling and disposal of the RMPS Building, the Baghouse Building, the Smelter Building, and the Finished Lead Storage Building.

Waste Management Devices and Permitted Units, Section 5.6.1.1, 5.6.1.2, and Figures 5.1 and 5.2

In the Application, there is no discussion of the operation of the receiving and refining furnaces (as referenced in the June 24, 2009, SCAQMD Title V Permit to Operate) as hazardous waste management devices/units. As noted in the DTSC site visit on April 18, 2014, both the Reverb Furnace and the Blast Furnace feed receiving kettles via launders. These receiving kettles in turn feed refining kettles, at which point the molten lead is transferred to the various molds to make the "hogs," "pigs," and "billets." The Application states: "The lead tapped from the permitted Reverb Furnace is collected in the soft lead refining kettles for **further processing to remove any remaining metallic impurities**" and "During the process of recovering lead from the permitted Blast Furnace, lead is tapped and collected into the hard lead refining kettles **where alloy lead is prepared according to the customer specifications**" (emphasis added). However, the receiving and refining kettles are not included as hazardous waste management devices/units in the Application.

In previous iterations of the Application, these units were included. Exide must include these units in the Application and all drawings must be updated to include these processes.

Further, the Closure Cost Estimate for the Facility must also be modified to reflect the closure of the receiving and refining kettles.

Note that California Code of Regulations, title 22, section 66266.100(c) states that lead refining furnaces that qualify under federal law as conditionally exempted Boiler and Industrial Furnace (BIF) units are subject to regulation in California as Miscellaneous Units.

Waste Management Devices and Permitted Units

There exist several open top tanks within the Waste Water Treatment Plant at the Facility that operate with minimal freeboard. The tank assessments indicate that seismic sloshing cannot be contained within the limits of the tanks and would most likely be contained within secondary containment. The Reaction Tanks 1 through 5 are sufficiently close to the edge of secondary containment (some are within approximately, 1 foot of the outer wall) and therefore the potential exists for the release of hazardous waste outside of secondary containment. Exide shall modify its operational procedures

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to increase freeboard, or physically alter the tanks to prevent the overtopping of all open top tanks due to seismic sloshing effects.

Also, all required tank assessments as listed in the October 29, 2013, DTSC Memorandum (enclosed) shall be submitted as part of Exide's application. Any hazardous waste management units that are not currently identified in the Application shall be included in the revised submittal. Any hazardous waste management units not included in the revised Application will not be allowed to continue to operate until such time as the units are incorporated into the Hazardous Waste Facility Permit through a permit modification approved by DTSC. Further, the Application must be updated to include all stormwater system activities/changes as a result of implementing the requirements of the Stipulation and Order Docket HWCA: P3-12/13-010.

Exide must submit a revised complete Application package within 30 days of receipt of this Third Notice of Deficiency. If Exide's submission is substantially incomplete or substantially unsatisfactory, DTSC is required to initiate permit denial proceedings under Health and Safety Code 25186 and 25200.8, and California Code of Regulations, title 22, section 66271.1, et seq. If you have any questions regarding this letter or any of the enclosures, you may call me at (916) 255-3605.

Sincerely,



William P. Veile, P.E. C46306
Office of Permitting

Enclosures

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